

MAYER, BROWN & PLATT

9830

231 SOUTH LA SALLE STREET

RECORDATION NO. Filed 1425

EUROPEAN OFFICE
14 MOORFIELDS HIGHWALK
LONDON EC2Y 9DL
01-588-0667
TELEX 8811095
CABLE LEMAYLON

CHICAGO, ILLINOIS 60601
312-782-0600
TELEX 253760
CABLE LEMAY

WASHINGTON OFFICE
888 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20006
TELEX 85-4443
TELEX 892603
CABLE LEMAYDC

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. Filed 1425

9830-β

October 6, 1978

NOV 13 1978-9 20 AM

INTERSTATE COMMERCE COMMISSION
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

RECORDATION NO. Filed 1425

9830-α

NOV 13 1978-9 20 AM

INTERSTATE COMMERCE COMMISSION

NOV 13 9 19 AM '78
RECEIVED
T.O.C.
FREE OPERATION
B.B.

Dear Sir:

This is a letter of transmittal pursuant to 49 C.F.R. 1116, et seq., which requests you to record the Second Supplemental Deed to Secure Debt, Security Agreement and Assignment (the "Second Supplemental Deed") between Continental Illinois National Bank and Trust Company of Chicago (the "Bank") as Grantee and Nord Kaolin Company as Grantor. This document serves to assign the rights of Nord Kaolin Company as Lessee of certain railroad cars (described in Attachment II hereto) to the Bank. Since the Second Supplemental Deed is an assignment of rights, pursuant to 49 C.F.R. 1116.3(d) enclosed please find a \$60.00 filing fee.

The equipment covered by the Second Supplemental Deed is described more fully in Attachment II hereto.

The leases of the railroad cars described in Attachment II hereto have not, in all probability, been previously recorded with the Interstate Commerce Commission.

Sincerely,

James E. Padilla

James E. Padilla

JEP:gc
Enclosure

Signature of executive officer of a party to Second Supplemental Deed

[Signature]
Vice President
Continental Illinois National Bank
and Trust Company of Chicago

No. 8-317,0012
NOV 13 1978
Date.....
Fee \$60.00

ICC Washington, D. C.

Secretary
Interstate Commerce Commission
October 6, 1978
Page 2

Address where original document
may be returned:

James E. Padilla, Esquire
Mayer, Brown & Platt
231 South LaSalle Street
Chicago, Illinois 60604

Address of Grantor under Second
Supplemental Deed:

Nord Kaolin Company
Ole Town Park
39 Iron Gate Park Drive
Dayton, Ohio 45459

Address of Grantee under Second
Supplemental Deed:

Continental Illinois National Bank
and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60693

ATTACHMENT II
TANK CAR LEASES

I. Leases with ACF Industries

<u>Contract No.</u>	<u>Date</u>	<u>Car No. ACFX -</u>	<u>Termination Date</u>
1127	June 7, 1976	77829 through 77838	June 6, 1981
8591	December 13, 1971	15502 15513 15499 15519	June 30, 1981
8843	January 12, 1972	92031 92032 92476 16153	July 31, 1979
8944	February 4, 1972	90472 92514 92563 92776	March 31, 1982
9158	June 26, 1972	92778 3 cars numbers unknown	December 31, 1977

II. General American Transportation Corporation

<u>Contract No.</u>	<u>Date</u>	<u>Car No. GATX -</u>	<u>Termination Date</u>
1962	October 21, 1977	95754 33725 80089 82262	January 31, 1979
1963	October 21, 1977	84999 88581 88918 1 car number unknown	May 31, 1979
1965	October 21, 1977	74914 74948 74949 74950 74978 87687	December 31, 1980

<u>Contract No.</u>	<u>Date</u>	<u>Car No. GATX -</u>	<u>Termination D</u>
1967	October 21, 1977	5 cars numbers unknown	December 31,
1968	October 21, 1977	27665 27666 27656 27657 27654 27655	May 31, 1982
2600	April 18, 1978	10 cars numbers unknown	5 years from) day of the mo nearest the a age Effective Date of all o the cars

III. Leases with Union Tank
Car Company

<u>Contract No.</u>	<u>Date</u>	<u>Car No.</u>	<u>Termination Da</u>
None	May 25, 1978	UTLX 25902, 25927	May 25, 1983
		UTLX 25900, 25903, 25905, 25910, 25912, 25913, 25914, 25915, 25918, 25921, 25922, 25923, 25926	May 25, 1983
	Future leases not yet con- summated	42 cars numbers unknown	

Interstate Commerce Commission
Washington, D.C. 20423

11/14/78

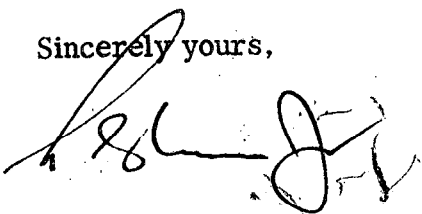
OFFICE OF THE SECRETARY

James E. Padilla
Mayer, Brown & Platt
231 South LaSalle Street
Chicago, Illinois 60604

Dear Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on 11/13/78 at 9:20am ,
and assigned recordation number(s) 9830, 9830-A & 9830-B

Sincerely yours,



H.G. Homme, Jr.,
Acting Secretary

Enclosure(s)

SE-30-T
(2/78)

RECORDATION NO. 9830 Filed 1425

NOV 13 1978-9 20 AM

INTERSTATE COMMERCE COMMISSION

Twiggs County, State of Georgia
Clerks Office, Superior Court
Filed In Office 23 Day Of Nov
19 77 At 2:03 A.M. P.M. Clock
Recorded In Book 42 Folio 388-11
Day Of Nov 19 77

DEED TO SECURE DEBT, SECURITY

AGREEMENT AND ASSIGNMENT

THIS DEED TO SECURE DEBT, SECURITY AGREEMENT AND ASSIGNMENT, dated as of December 15, 1977, is from NORD KAOLIN COMPANY, a Georgia limited partnership (herein called the "Grantor"), to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO (herein called the "Bank").

1. The Grantor and the Bank have entered into a Loan Agreement, dated as of December 15, 1977 (herein called the "Loan Agreement"), pursuant to which, upon the terms and conditions therein stated, the Bank has agreed to make loans to the Grantor in aggregate principal amount not to exceed Three Million Dollars (\$3,000,000). All borrowings under the Loan Agreement are to be secured hereby.

2. For all purposes of this instrument, unless the context otherwise requires:

- A. "Lands described in Exhibit A" shall mean the lands described in Exhibit A hereto and made a part hereof and shall include any lands, the description of which is incorporated in Exhibit A by reference to another instrument or document.
- B. "Mines" shall mean the facilities or related group of facilities which are in existence or are to be constructed and equipped for the mining of kaolin and other minerals from the properties described in Exhibit A.

GEORGIA INTANGIBLE TAX PAID

\$2,000.00

12 23 1977

John H. Chastain
Tax Collector/Commissioner

County

Twiggs

JOHN W. CHASTAIN
Tax Collector

- C. "Note" and "Indebtedness" shall have the meaning stated in Section 1.2.
- D. "Operating Equipment" shall mean the equipment, if any, specifically described in Exhibit B hereto and made a part hereof and all other surface or subsurface machinery, equipment, facilities or other property of whatsoever kind or nature now or hereafter owned by Grantor and located on any of the lands described in Exhibit A which are useful for the production, treatment, storage or transportation of kaolin and other minerals, including, but not by way of limitation, all hoisting shafts, air shafts, engines, boilers, dynamos, generators, and other electrical apparatus, machinery, storehouses and other buildings of every name and kind, owned or used by the Grantor in connection with the Mines and the lands described in Exhibit A, and all tools, supplies, equipment and personal property of every name, kind, sort or character, whether now owned or hereafter to be purchased or acquired by the Grantor, for use in connection with the Mines and the lands described in Exhibit A.
- E. "Plant" shall mean the processing facility consisting of a manufacturing plant, process machinery and other machinery and ancillary facilities, situated on land owned by the Grantor

and located three miles northwest of Jeffersonville, Georgia on U.S. Highway 80, all as further described in Exhibit C attached hereto and made a part hereof, and all equipment of every type and kind used in connection therewith.

- F. "Purchase Agreement" shall mean that certain Agreement of Purchase and Sale, dated as of December 15, 1977, by and between Cyprus Mines Corporation and the Grantor, providing for the sale to the Grantor of the Plant and the lands, leases and other property and rights described herein.
- G. "Sale Contracts" shall mean contracts, if any, now in effect, or hereafter entered into by the Grantor, for the sale, purchase, exchange or processing of kaolin and other minerals produced from the lands described in Exhibit A.
- H. "Subject Property" shall mean the properties, rights and interests hereinafter described and defined as the Subject Property.
- I. "Tank Car Leases" shall mean the railroad tank car leases described in Exhibit D attached hereto and made a part hereof and all other railroad tank car leases in which the Grantor may at any time have an interest.

NOW, THEREFORE, the Grantor, for and in consideration of the premises and of the debts and trusts hereinafter mentioned, has bargained, transferred, assigned, granted, conveyed, sold and granted a security interest, and by these presents does bargain, transfer, assign, grant, convey, sell and grant a security interest unto the Bank, all the following properties and interests, whether now owned or hereafter acquired, to wit:

(a) the lands described in Exhibit A, and the leases and the fee, mineral, overriding royalty, royalty and other interests specifically described in Exhibit A and all lands, and all leases, and the fee, mineral, overriding royalty, royalty and other interests hereafter acquired wherever the same may be located,

(b) the kaolin and other minerals which are in, under, upon, produced or to be produced from the lands described in Exhibit A,

(c) the Sale Contracts,

(d) the Operating Equipment,

(e) the Plant,

(f) the Tank Car Leases,

(g) the Grantor's inventories of raw materials, work in progress, supplies, spare parts and finished goods and products, wherever located, whether now owned or hereafter acquired,

(h) all accounts receivable of the Grantor, whether

now existing or hereafter arising,

(i) all leases of real or personal property not otherwise described herein, whether now or hereafter existing, to which the Grantor is a party or in which it has any interest whether as lessor, lessee or otherwise, and including, without limitation, the leases described (including a description of the property covered thereby), together with all right, title and interest of the Grantor in and to all sums of money payable to the Grantor under all such leases,

(j) all permits, licenses, contracts, agreements and warranties relating to the Plant, the Mines and the other properties constituting part of the Subject Property, and

(k) all other property acquired by the Grantor, and all other rights of the Grantor, under and pursuant to the Purchase Agreement,

together with any and all corrections or amendments to, or renewals, extensions or ratifications of, any of the same, or of any instrument relating thereto, and all rights-of-way, franchises, easements, tenements, hereditaments and appurtenances now existing or in the future obtained in connection with any of the aforesaid, and all other things of value and incident thereto which the Grantor might at any time have or be entitled to,

all the aforesaid properties, rights and interests, together with any additions thereto which may be subjected to the lien

of this instrument by means of supplements hereto, being hereinafter called the "Subject Property,"

Subject, however, to the condition that the Bank shall not be liable in any respect for the performance of any covenant or obligation of the Grantor in respect of the Subject Property.

TO HAVE AND TO HOLD the Subject Property to the only proper use, benefit and behalf of the Bank, forever, in fee simple.

WJS
This conveyance is intended (i) to constitute a security agreement under the Uniform Commercial Code of Georgia and (ii) to operate as and to be construed as a deed passing the title to the Subject Property to the ^{BANK} Trustees and is made under those provisions of the existing laws of the State of Georgia relating to Deeds to Secure Debt, and not as a mortgage, and is given to secure the Indebtedness hereinafter described and the performance by the Grantor of its obligations herein and in the Loan Agreement contained.

The Grantor, in consideration of the premises and to induce the Bank to grant the loans and other financial accommodations above described, hereby covenants and agrees with the Bank as follows:

SECTION 1

Indebtedness Secured

SECTION 1.1 Indebtedness Secured. The following items of indebtedness are secured hereby:

- (a) The Grantor's Promissory Note, issued pursuant

to the Loan Agreement, dated the date hereof (the "Note") in the principal amount of \$3,000,000 payable to the order of the Bank in installments commencing July 31, 1979 to and including October 31, 1984 and bearing interest as therein provided;

(b) All other obligations of the Grantor to the Bank incurred under or in connection with the Loan Agreement;

(c) All amounts payable by the Grantor under the Loan Agreement as a Commitment Fee and as a Loan Fee;

(d) Any sums advanced or expenses or costs incurred by the Bank (or any receiver appointed hereunder) which are made or incurred pursuant to, or permitted by, the terms hereof, plus interest thereon at the rate herein specified or otherwise agreed upon, from the date of the advances or the incurring of such expenses or costs until reimbursed; and

(e) Any extensions or renewals of all such indebtedness described in subparagraphs (a) through (e) above whether or not the Grantor executes any extension agreement or renewal instruments.

SECTION 1.2 Indebtedness Defined. All the above items of indebtedness are herein collectively referred to as the "Indebtedness."

SECTION 2

Particular Covenants and Warranties of the Grantor

SECTION 2.1 Payment of the Indebtedness. The Grantor will duly and punctually pay the Indebtedness, including each and every obligation owing on account of the Note.

SECTION 2.2 Warranties. The Grantor warrants that (a) the Grantor has good and marketable title to each property right or interest constituting the Subject Property and has the legal right to grant and convey same to the Bank, (b) the Subject Property is free from all encumbrances or liens whatsoever, except taxes constituting a lien but not yet due and payable, Sale Contracts and encumbrances and liens as may be specifically set forth in the Exhibits hereto; and (c) the Grantor is not obligated, by virtue of any prepayment under any contract providing for the sale by the Grantor of kaolin which contains a "take or pay" clause or under any similar arrangement, to deliver kaolin at some future time without then or thereafter receiving full payment therefor. The Grantor will warrant and forever defend the Subject Property unto the Bank, against every person whomsoever lawfully claiming the same or any part thereof, and the Grantor will maintain and preserve the lien hereby created so long as any of the Indebtedness remains unpaid.

SECTION 2.3 Further Assurances. The Grantor will execute and deliver such other and further instruments and will do such other and further acts as in the opinion of the Bank may be

necessary or desirable to carry out more effectually the purposes of this instrument, including, without limiting the generality of the foregoing, prompt correction of any defect which may hereafter be discovered in the title to the Subject Property or in the execution and acknowledgment of this instrument, any Note, or any other document used in connection herewith.

SECTION 2.4 Taxes. The Grantor will promptly pay when due all taxes, assessments and other liabilities except as contested in good faith and by appropriate proceedings and except that any assessments which are payable in installments may be paid in such manner.

SECTION 2.5 Operation of Subject Property. So long as the Indebtedness or any part thereof, remains unpaid, and whether or not the Grantor is the operator of the Subject Property, the Grantor shall, at Grantor's own expense:

(a) Do all things necessary to keep unimpaired the Grantor's rights in the Subject Property and not abandon the Mine or any thereof (except a mine where the known mineable reserves have been depleted in the normal course of operation) or forfeit, surrender or release any rights in the Subject Property or enter into any operating agreement (other than contract haulage and stripping) without the prior written consent of the Bank except as provided in Section 2.7 hereof;

(b) Regularly operate the mining, production and processing facilities of the Jeffersonville Operations being obtained pursuant to the Purchase Agreement in a good workmanlike manner and in accordance with generally

accepted practices in the industry and all applicable federal, state and local laws, rules and regulations and do all things necessary to produce and to sell waterwashed kaolin product in accordance with sound business practice, subject to the effect of any destruction, damage or loss caused by fire, flood, accident or other calamity, labor disputes, shortages of materials or other similar causes beyond the reasonable control of Grantor;

(c) Pay, or cause to be paid within 30 days of the date due and payable (or, as to any thereof which are being contested in good faith, promptly after the final determination of such contest), all material rentals and royalties payable in respect of the Subject Property, and all material expenses incurred in or arising from the operation or development of the Subject Property;

(d) Cause the Plant and the Operating Equipment to be kept in good operating condition, and all repairs, renewals, replacements, additions and improvements thereof or thereto, needful to the production or processing of kaolin from the lands described in Exhibit A and the Plant, to be promptly made;

(e) Cause the Subject Property to be kept free and clear of liens, charges and encumbrances of every character, other than (1) the lien hereof, (2) taxes constituting a lien but not due and payable, (3) defects or irregularities in title, and liens, charges or

encumbrances which are of a character customarily found in connection with constructing and operating kaolin mines and processing facilities comparable with the Mines and the Plant which are not such as to interfere materially with the development, operation or value of the Subject Property and not such as to affect materially title thereto, (4) Sale Contracts, (5) those set forth or referred to in Exhibit A, (6) those being contested by the Grantor in good faith in such manner as not to jeopardize the Bank's rights in and to the Subject Property, (7) easements and rights of way now existing or in the future granted, (8) liens pursuant to purchase money obligations permitted by the Loan Agreement and mechanics liens or other similar liens which are bonded within 30 days of the creation thereof, and (9) those consented to in writing by the Bank; and

(f) Carry in responsible and reputable standard insurance companies or associations and in amounts reasonably satisfactory to the Bank the following insurance: (a) workmen's compensation insurance and public liability and property damage insurance in respect of all activities in which the Grantor might incur personal liability for the death or injury of an employee or third person, or damage to or destruction of another's property; and (b) to the extent such insurance is usually carried by other prudent companies engaged in similar businesses and owning similar properties in the same general areas in which the Subject Property is located, insurance in respect of the Plant and the Operating

Equipment, against loss or damage by fire, lightning, hail, tornado, explosion and other similar risks.

SECTION 2.6 Recording, Etc. The Grantor will promptly and at Grantor's expense, record, register, deposit and file this and every other instrument in addition or supplemental hereto in such offices and places and at such times and as often as may be necessary to preserve, protect and renew the lien hereof as a first lien on real or personal property as the case may be and the rights and remedies of the Bank, and otherwise will do and perform all matters or things necessary or expedient to be done or observed by reason of any law or regulation of any State or of the United States or of any other competent authority, for the purpose of effectively creating, maintaining and preserving the lien hereof on the Subject Property.

SECTION 2.7 Sale or Mortgage of Subject Property. The Grantor will not sell, convey, mortgage, pledge or otherwise dispose of or encumber the Subject Property nor any portion thereof, nor any of the Grantor's right, title or interest therein without first securing the written consent of the Bank, except a mine where the known mineable reserves have been depleted in the normal course of operation and except in the ordinary course of business.

SECTION 2.8 Records, Statements and Reports. The Grantor will keep proper books of record and account in which complete and correct entries will be made of the Grantor's transactions in accordance with generally accepted accounting principles and will furnish or cause to be furnished to the Bank (a) within a reasonable period of time after request of the Bank reports

prepared by or for the Grantor concerning (1) the quantity of kaolin and other minerals recoverable from the Mines, (2) the projected gross proceeds from the sale of kaolin and other minerals from the Mines and the Plant, (3) the projected income and expense attributable to the Mines and the Plant and (4) the expediency of any planned change in methods of operation of the Mines or the Plant, the decision as to which may increase or decrease materially the quantity of kaolin ultimately recoverable from the Mines, or the rate of production therefrom, or processable by the Plant, (b) within ninety (90) days after the end of each calendar quarter ending on the last day of March, June, September and December commencing on March 31, 1978, a report showing for such calendar quarter, the gross proceeds from the sale of kaolin and other minerals produced from the Mines (including any thereof taken by the Grantor for the Grantor's own use), the quantity of such kaolin and other minerals sold and the royalties deducted from or paid out of gross proceeds, and (c) such other information as the Bank may reasonably request with respect to the Mines and the Plant.

SECTION 2.9 No Governmental Approvals. The Grantor warrants that no approval or consent of any regulatory or administrative commission or authority, or of any other governmental body, is necessary to authorize the execution and delivery of this instrument or of the Note, or to authorize the observance or performance by the Grantor of the covenants herein or in the Note and Loan Agreement contained other than those that have been, or are being obtained.

SECTION 2.10 Right of Entry. The Grantor will permit the Bank, or its agents, at any reasonable time, but at the

risk and expense of the Bank to enter upon the Subject Property, and all parts thereof, for the purpose of investigating and inspecting the condition and operation thereof.

SECTION 3

Assignment of Production

SECTION 3.1 Assignment. As further security for the payment of the Indebtedness, the Grantor hereby bargains, transfers, assigns, grants, conveys and sells unto the Bank, effective as of the date hereof, all kaolin and other minerals which are thereafter produced from and which accrue to the Subject Property, and all proceeds therefrom. All parties producing, purchasing or receiving any such kaolin or other minerals, or having such, or proceeds therefrom, in their possession for which they or others are accountable to the Bank by virtue of the provisions of this Article, are authorized and directed to treat and regard the Bank as the assignee and transferee of the Grantor and entitled in the Grantor's place and stead to receive such kaolin and other minerals and all proceeds therefrom; and said parties and each of them shall be fully protected in so treating and regarding the Bank, and shall be under no obligation to see to the application by the Bank of any such proceeds or payments received by it.

SECTION 3.2 Authority to Collect. Until the happening of an event of default, the Grantor will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to the sale of kaolin or other minerals produced from the Subject Property, including the taking of such action with respect to such collection as the Bank may reasonably request

or, in the absence of such request, as the Grantor may deem advisable. So long as no default exists under the Loan Agreement or hereunder Grantor shall have the right to compromise and settle claims should it determine such compromise or settlement is necessary. The Bank, however, may, at any time and from time to time, after revocation of such power and authority, notify the purchasers of kaolin or other minerals produced from the Subject Property to make direct payment to the Bank of any amounts due or to become due to Grantor as proceeds of such sales.

SECTION 3.3 No Liability of the Bank in Collecting.

The Bank is hereby absolved from all liability for failure to enforce collection of any proceeds so assigned and from all other responsibility in connection therewith, except the responsibility to account to the Grantor for funds actually received.

SECTION 3.4 Assignment not a Restriction on the Bank's Rights. Nothing herein contained shall detract from or limit the absolute obligation of the Grantor to make payment of the Indebtedness regardless of whether the proceeds assigned by this Article are sufficient to pay the same, and the rights under this Article shall be in addition to all other security now or hereafter existing to secure the payment of the Indebtedness.

SECTION 3.5 Status of Assignment. Notwithstanding the other provisions of this Article, and in addition to their other rights hereunder, the Bank or any receiver appointed in judicial proceedings for the enforcement of this instrument shall have

the right to receive all of the kaolin and other minerals herein assigned and the proceeds therefrom after any Note or other item of Indebtedness has become due, or has been declared to be due and payable in accordance with the provisions of Section 4.1 hereof and to apply all of said proceeds as follows:

First: To the payment and satisfaction of all costs and expenses incurred in connection with the collection of such proceeds, and the payment and reimbursement of all items of the Indebtedness not evidenced by any Note.

Second: To the payment and satisfaction of the accrued interest on the Note and other items of Indebtedness.

Third: To the amounts of principal then due and owing on the Note and other items of Indebtedness.

Fourth: The balance, if any, shall either be applied on the then unmatured principal amounts of the Note and other items of Indebtedness, in such order of application as the Bank may select, or, at the option of the Bank, released to the Grantor.

Upon any sale of the Subject Property or any part thereof pursuant to Article V, the kaolin and other minerals thereafter produced from the property so sold, and the proceeds therefrom, shall be included in such sale and shall pass to the purchaser free and clear of the assignment contained in this Article.

SECTION 3.6 Indemnity. The Grantor agrees to indemnify the Bank against all claims, actions, liabilities, judgments, costs, attorneys' fees or other charges of whatsoever kind or nature (all hereinafter in this Section 3.6 called "claims") made against or incurred by them or any of them as a consequence of the assertion, either before or after the payment in full of the Indebtedness, that they or any of them received kaolin or other minerals herein assigned or the proceeds thereof claimed by third persons. The Grantor will notify the Bank, in writing, promptly of the commencement of any legal proceedings in respect of any such claims and will take such action, employing attorneys agreeable to the Bank, as may be necessary to preserve the Grantor's and the Bank's rights affected thereby. Should the Grantor fail or refuse to take such action the Bank shall have the right to defend against any such claims, employing attorneys therefor, and unless furnished with reasonable indemnity, they or any of them shall have the right to pay or compromise and adjust all such claims. The Grantor will indemnify and pay to the Bank any and all such amounts as may be paid in respect thereof or as may be successfully adjudged against the Bank. The obligations of the Grantor as hereinabove set forth in this Section 3.6 shall survive the release of this instrument.

SECTION 4

Events of Default

SECTION 4.1 Events of Default. In case any one or more of the following "events of default" shall occur and shall not have been remedied:

(a) any Event of Default described in Section 10 of the Loan Agreement;

(b) any warranty or representation made herein shall prove to be untrue when made in any material respect;

(c) failure by the Grantor, within thirty (30) days after notice thereof from the Bank, to cure a default in the due performance or observance of any covenant or agreement contained in this instrument and not constituting a default in the payment of principal of or interest upon any Note or in the payment of any other Indebtedness; or

(d) any material portion of the Subject Property shall be attached or shall be placed in the hands of a receiver or receivers, or trustee or trustees, or other officer or officers, or representative or representatives of a court or of creditors and said attachment or said receivership shall continue for any period of ninety (90) consecutive days;

then and in any such event the Bank, at its option, may declare the entire unpaid principal of and the interest accrued on the Note and all other Indebtedness secured hereby to be forthwith due and payable, without any notice or demand of any kind, both of which are hereby expressly waived.

SECTION 5

Enforcement

SECTION 5.1 Judicial Proceedings. Upon occurrence of

an event of default and if such event shall be continuing, the Bank may institute foreclosure proceedings or proceed by a suit or suits in equity or at law, whether for a foreclosure hereunder, or for the sale of the Subject Property, or for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for the appointment of a receiver pending any foreclosure hereunder or the sale of the Subject Property, or for the enforcement of any other appropriate legal or equitable remedy.

SECTION 5.2 Certain Aspects of a Sale. The Bank shall have the right to become the purchaser at any sale held by the Bank or by any court, receiver or public officer, and the Bank shall have the right to credit upon the amount of the bid made therefor, the amount payable out of the net proceeds of such sale to it.

SECTION 5.3 Receipt to Purchaser. Upon any sale the receipt of the Bank, or of the officer making sale under judicial proceedings, shall be sufficient discharge to the purchaser or purchasers at any sale for his or their purchase money, and such purchaser or purchasers, his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Bank or of such officer therefor, be obliged to see to the application of such purchase money, or be in anywise answerable for any loss, misapplication or nonapplication thereof.

SECTION 5.4 Effect of Sale. Any sale or sales of the Subject Property shall operate to divest all right, title, interest, claim or demand whatsoever either at law or in equity,

of the Grantor of, in and to the premises and the property sold, and shall be a perpetual bar, both at law and in equity, against the Grantor, Grantor's successors or assigns, and against any and all persons claiming or who shall thereafter claim all or any of the property sold from, through or under the Grantor, or Grantor's successors or assigns; nevertheless, the Grantor, if requested by the Bank so to do, shall join in the execution and delivery of all proper conveyances, assignments and transfers of the properties so sold.

SECTION 5.5 Application of Proceeds. The proceeds of any sale of the Subject Property or any part thereof shall be applied as follows:

First: To the payment of all reasonable expenses incurred by the Bank in making the sale including, without limiting the generality of the foregoing, expenses of any entry or taking or possession, of any sale, of advertisement thereof, and of conveyances, and as well, court costs, compensation of agents and employees and legal fees;

Second: To the payment of the Note and of the other items of Indebtedness with interest to the date of such payment;

Third: Any surplus thereafter remaining shall be paid to the Grantor or the Grantor's successors or assigns, as their interests shall appear.

SECTION 5.6 Grantor's Waiver of Appraisement, Marshalling, etc. Rights. The Grantor agrees, to the full extent that the Grantor may lawfully so agree, that the Grantor will not at any time insist upon or plead or in any manner whatever claim the benefit of any appraisement, valuation, stay or extension law now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this instrument or the absolute sale of the Subject Property or the possession thereof by any purchaser at any sale made pursuant to any provision hereof, or pursuant to the decree of any court of competent jurisdiction; but the Grantor, for the Grantor and all who may claim through or under the Grantor, so far as the Grantor or those claiming through or under the Grantor now or hereafter lawfully may, hereby waives the benefit of all such laws. The Grantor, for the Grantor and all who may claim through or under the Grantor, waives, to the extent that the Grantor may lawfully do so, any and all right to have the Subject Property marshalled upon any foreclosure of the lien hereof, or sold in inverse order of alienation, and agrees that the Bank or any court having jurisdiction to foreclose such lien may sell the Subject Property as an entirety. If any law in this paragraph referred to and now in force, of which the Grantor or the Grantor's successor or successors might take advantage despite the provisions hereof, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the operation or application of the provisions of this

paragraph.

SECTION 5.7 Costs and Expenses. All reasonable costs and expenses (including attorneys' fees) incurred by the Bank in protecting and enforcing its rights hereunder, shall constitute a demand obligation owing by the Grantor to the party incurring such costs and expenses and shall draw interest at the rate of 10% per annum all of which shall constitute a portion of the Indebtedness.

SECTION 5.8 Operation of Property by the Bank. Upon the occurrence of an event of default and in addition to all other rights herein conferred on the Bank, the Bank (or any person, firm or corporation designated by the Bank) shall have the right and power, but shall not be obligated, to enter upon and take possession of any of the Subject Property, and to exclude the Grantor, and the Grantor's agents or servants, wholly therefrom, and to hold, use, administer, manage and operate the same to the extent that the Grantor shall be at the time entitled and in his place and stead. The Bank, or any person, firm or corporation designated by the Bank, may operate the same without any liability to the Grantor in connection with such operations, except to use reasonable care in the operation of said properties and the Bank or any person, firm or corporation designated by it, shall have the right to collect, receive and receipt for all kaolin and other minerals produced and sold from said properties, to make repairs, purchase machinery and equipment, and to exercise every power, right and privilege of the Grantor with respect to the Subject Property. When and if the expense of such operation and

development have been paid and the Indebtedness paid, said properties shall, if there has been no sale or foreclosure, be returned to the Grantor.

SECTION 5.9 Power of Sale. Upon the occurrence of an event of default and in addition to all other rights herein conferred on the Bank, the Bank, at its option, may sell the Subject Property or any part of the Subject Property at public sale or sales before the door of the courthouse of the County in which the Subject Property or any part of the Subject Property is situated, to the highest bidder for cash, in order to pay the Indebtedness secured hereby and accrued interest thereon and insurance premiums, liens, assessments, taxes and charges, including utility charges, if any, with accrued interest thereon, and all expenses of the sale and of all proceedings in connection therewith, including, without limitation, attorneys' fees in an amount equal to 10% of the outstanding principal and interest of the Notes secured hereby, after advertising the time, place and terms of sale once a week for four (4) weeks immediately preceding such sale (but without regard to the number of days) in a newspaper in which Sheriff's sales are advertised in said County. The Bank may sell the realty and personalty of which the Subject Property consists or any portion, thereof either together or separately in one sale or in a series of sales. The Bank may bid and purchase at such sale.

SECTION 5.10 Authority to Convey. At any such public sale, the Bank may execute and deliver to the

purchaser a conveyance of the Subject Property or any part of the Subject Property in fee simple with full warranties of title and to this end, the Grantor hereby constitutes and appoints the Bank the agent and attorney-in-fact of the Grantor to make such sale and conveyance and to execute any documents necessary for the recording of the deed evidencing such conveyance including but not limited to transfer tax forms, and thereby to divest the Grantor of all right, title and equity that the Grantor may have in and to the Subject Property, or such part thereof as is sold and to vest the same in the purchaser or purchasers at such sale or sales, and all the acts and doings of said agent and attorney-in-fact are hereby ratified and confirmed and any recitals in said conveyance or conveyances as to facts essential to a valid sale shall be binding on the Grantor. The aforesaid power of sale and agency hereby granted are coupled with an interest and are irrevocable by death, dissolution or otherwise, are granted as cumulative of the other remedies provided by law for collection of the indebtedness secured hereby and shall not be exhausted by one exercise thereof but may be exercised until full payment of all sums secured hereby.

SECTION 5.11 Application of the Proceeds of Sale.

Upon any such public sale pursuant to the aforementioned power of sale and agency, the proceeds of said sale shall be applied as provided in Section 5.5 above.

SECTION 5.12 Grantor as Tenant at Sufferance.

In the event of any such public sale pursuant to the aforesaid power of sale and agency, the Grantor shall be deemed a tenant at sufferance and shall forthwith deliver

possession of the Subject Property to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over.

SECTION 5.13 Discontinuance of Proceedings and Restoration of the Parties. In case the Bank shall have proceeded to enforce any right or remedy under this Deed to Secure Debt, Security Agreement and Assignment by receiver, entry or otherwise, and such proceedings shall have been discontinued adversely to the Bank, then and in every such case the Grantor and the Bank shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the Bank shall continue as if no such proceeding has been taken.

SECTION 6

Miscellaneous

SECTION 6.1 Advances by the Bank. Each and every covenant herein contained shall be performed and kept by the Grantor solely at the Grantor's expense. If the Grantor shall fail to perform or keep any of the covenants of whatsoever kind or nature contained in this instrument, the Bank or any receiver appointed hereunder, may, but shall not be obligated to, make advances to perform the same in the Grantor's behalf, and the Grantor hereby agrees to repay such sums upon demand plus interest at the rate of 10% per annum. No such advance shall be deemed to relieve the Grantor from any default hereunder.

SECTION 6.2 Defense of Claims. The Grantor will notify the Bank, in writing, promptly of the commencement of any legal proceedings affecting the lien hereof or the Subject Property, or any part thereof, and will take such action, employing attorneys agreeable to the Bank, as may be necessary to preserve the Grantor's, and the Bank's rights affected thereby; and should the Grantor fail or refuse to take any such action, the Bank may take such action in behalf and in the name of the Grantor and at the Grantor's expense. Moreover, the Bank at its own expense may take such independent action in connection therewith as they may in their discretion deem proper, the Grantor hereby agreeing, however if the Grantor fails or refuses to take such action all sums advanced or all expenses incurred in such actions plus interest at the rate of 10% per annum, will, on demand, be reimbursed to the Bank or any receiver appointed hereunder.

SECTION 6.3 Property to Revert. If the Indebtedness shall be fully paid, then all of the Subject Property shall be reconveyed to the Grantor and the entire estate, right, title and interest of the Bank shall thereupon cease; and the Bank in such case shall, upon the request of the Grantor and at Grantor's cost and expense, deliver to the Grantor, proper instruments acknowledging satisfaction of this instrument.

SECTION 6.4 Renewals, Amendments and Other Security. Renewals and extensions of the Indebtedness may be given at any time and amendments may be made to agreements relating to any part of such Indebtedness or the Subject

Property and the Bank may take or may now hold other security for the Indebtedness without notice to or consent of the Grantor. The Bank may resort first to such other security or any part thereof or first to the security herein given or any part hereof, or from time to time to either or both, even to the partial or complete abandonment of either security, and such action shall not be a waiver of any rights conferred by this instrument, which shall continue as a first lien upon the Subject Property not expressly released until the Note and all other Indebtedness secured hereby are fully paid.

SECTION 6.5 Limitation on Interest. No provision of this instrument or of the Note shall require the payment or permit the collection of interest in excess of the maximum permitted by law or which is otherwise contrary to law. If any excess of interest in such respect is herein or in the Note provided for, or shall be adjudicated to be so provided for herein or in the Note, the Grantor shall not be obligated to pay such excess.

SECTION 6.6 Unenforceable or Inapplicable Provisions. If any provision hereof or of the Note is invalid or unenforceable in any relevant jurisdiction, the other provisions hereof or of the Note shall remain in full force and effect in such jurisdiction, and the remaining provisions hereof shall be liberally construed in favor of the Bank in order to effectuate the provisions hereof, and the invalidity of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction.

SECTION 6.7 Rights Cumulative. Each and every right, power and remedy herein given to the Bank shall be cumulative and not exclusive; and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and so often and in such order as may be deemed expedient by the Bank and the exercise, or the beginning of the exercise, of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by the Bank in the exercise of any right, power or remedy shall impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

SECTION 6.8 Waiver by Bank. Any and all covenants in this instrument may from time to time by instrument in writing signed by the Bank be waived to such extent and in such manner as the Bank may desire, but no such waiver shall ever affect or impair the Bank's rights or liens hereunder, except to the extent specifically stated in such written instrument.

SECTION 6.9 Successors and Assigns. This instrument is binding upon the Grantor, the Grantor's successors and assigns, and shall inure to the benefit of the Bank and its successors and assigns, and the provisions hereof shall likewise be covenants running with the land.

SECTION 6.10 Article and Section Headings. The article and section headings in this instrument are inserted

for convenience and shall not be considered a part of this instrument or used in its interpretation.

SECTION 6.11 Counterparts. This instrument may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original, and all of which are identical except that, to facilitate recordation, in any particular counterpart portions of Exhibit A hereto which describe properties situated in Counties other than the County in which such counterpart is to be recorded may have been omitted.

IN WITNESS WHEREOF, the Grantor has executed this Deed to Secure Debt, Security Agreement and Assignment on the day, month and year first above written.

NORD KAOLIN COMPANY

[CORPORATE SEAL]

By NORD KAOLIN CORPORATION
general partner

ATTEST:

Andrew S. H.
Assistant Secretary

By *Richard L. Steinberg*
Executive Vice President

Signed, sealed and delivered
in the presence of:

Barbara A. Burkstone
Unofficial Witness

Louise M. Hennessey
Notary

My commission expires: *April 12, 1978*

The address of the Grantor is:

Nord Kaolin Company
Jeffersonville, Georgia 31044

The address of the Bank is:

Continental Illinois National Bank
and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60693
Attention: Mineral Division

This instrument was prepared by W. Allen Johnson, 231 South
LaSalle Street, Chicago, Illinois 60604

ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Louise M. Naumes, a Notary Public residing in the County and State aforesaid, do certify that Richard L. Stumberger, who is personally to me known and known to me to be a Vice President of Nord Kaolin Corporation, a Delaware corporation and the General Partner of Nord Kaolin Company, a limited partnership, this day appeared before me personally and did acknowledge that he did sign, seal and deliver the foregoing instrument of his own free will and accord, on behalf of said corporation as General Partner of Nord Kaolin Company, for the purposes therein named and expressed.

IN WITNESS WHEREOF, I have hereunto set my hand
and official seal, this 21st day of December, 1977.

Lucas M. Nauman
Notary Public in and for
said County and State

My commission expires:

April 12, 1978

EXHIBIT A

TRACT 1

All that tract or parcel of land lying, being and situate in the 326th Georgia Militia District and the 26th Land District of Twiggs County, Georgia, containing 90.08 acres as more particularly described by reference to a plat thereof prepared by Charles E. Yaun, Georgia RLS No. 1292, on September 24, 1966, which plat is incorporated into and made a part hereof, as follows:

BEGINNING at an iron pipe situated along the northwestern right of way line of Old Durham Mill Road at the point where the said right of way line is intersected by the line dividing said described property from lands now or formerly owned by Georgia Kaolin Company and which point of beginning is marked Point A on said plat, and from said beginning point running thence North 44 degrees 28 minutes 09 seconds West along the fence line dividing said properties for a distance of 1865.01 feet to an iron pipe found on said dividing line marked Point B on said plat; thence continuing North 44 degrees 28 minutes 09 seconds West along said dividing fence line for a distance of 1146.61 feet to an iron pipe found at Point C on said plat; thence South 46 degrees 13 minutes 14 seconds West along the fence line dividing said property from lands now or formerly owned by Ira King and Hubert Martin for a distance of 1381.60 feet to an iron pipe placed as indicated at Point D on said plat; thence South 47 degrees 59 minutes 37 seconds East for a distance of 2650.48 feet to an iron pipe placed as indicated as Point E on said plat; thence continuing South 47 degrees 59 minutes 37 seconds East for a distance of 400 feet to an iron pipe set at Point F on said plat; thence North 57 degrees 18 minutes 45 seconds East for a distance of 247.77 feet to an iron pipe situated as indicated as Point G on said plat; thence North 39 degrees 35 minutes 58 seconds East for a distance of 473.31 feet to an iron pipe set as indicated as Point H on said plat; thence North 43 degrees 17 minutes 39 seconds East for a distance of 481.02 feet to the point of beginning.

Said plat referred to above has been recorded in Plat Book 2, folio 321, in the Office of the Clerk of Twiggs Superior Court and it is specifically convenedated and agreed between the parties to this instrument that the 10.04 acres labeled "10.04 acres (Option)," on said plat is excluded from the operation of this instrument.

TRACT 2

All that tract or parcel of land lying and being in the 326th District, G. M. D., and the 26th Land District of Twiggs County, Georgia, containing twelve (12) acres, and more particularly described as Tract "B" of the Georgia Coating Clay Company Property, according to a plat thereof prepared by Charles E. Yaun, Georgia RLS No. 1292, on the 24th day of March, 1967, which plat is of record in Plat Book 2, folio 355, in the Office of the Clerk of Twiggs Superior Court, and by reference incorporated into and made a part hereof for the purpose of a more particular description. Said property is further described as follows:

BEGINNING at an iron axle situated at a point 880 feet North 69 degrees 52 minutes 29 seconds West plus 275.57 feet North 45 degrees 46 minutes 31 seconds East plus 422.53 feet North 47 degrees 30 minutes 11 seconds East plus 682.84 feet North 47 degrees 59 minutes 37 seconds West from Mile Post 19 of the Seaboard Coastline Main Line Track formerly known as the Macon, Dublin and Savannah Main Line Track, which point of beginning is labeled Point "E" on said plat, and from said beginning point running thence North 47 degrees 59 minutes 37 seconds West along the line of Georgia Coating Clay Company Property, Tract "A" as shown on said plat for a distance of 2367.64 feet to an iron pin situated at Point "D" on said plat; thence South 47 degrees 17 minutes 47 seconds West for a distance of 56.35 feet to an iron pin set at Point "M" on said plat; thence South 39 degrees 38 minutes 45 seconds East for a distance of 909.36 feet to an iron pin set at Point "N" on said plat; thence South 39 degrees 36 minutes 48 seconds East for a distance of 1011.41 feet to an iron axle set at Point "O" on said plat; thence South 39 degrees 37 minutes 03 seconds East for a distance of 406.51 feet to an iron pin set at Point "P" on said plat; thence North 41 degrees 48 minutes 00 seconds East for a distance of 286.27 feet to an iron pin set at Point "Q" on said plat; thence North 57 degrees 59 minutes 12 seconds East for a distance of 115.82 feet to the point of beginning.

TRACT 3

Six (6) acres of land in the 26th Land District of Twiggs County, Georgia, lying Southwest of and adjacent to the lands of Cyprus Mines Corporation which is more particularly described by reference to a drawing of the same attached to the original deed of conveyance.

MINERAL AND MINING RIGHTS ONLY IN AND TO the following pursuant to that certain Sale of Mineral Rights with Warranty dated August 4, 1977, recorded in Book 144, folios 53-8, Wilkinson County Records:

TRACT 4

ALL THAT TRACT or parcel of land situate, lying, and being in the Fourth Land District and the 329th G.M. District, Wilkinson County, Georgia, containing thirty (30) acres, more or less, in the shape of a rectangle, and being more particularly described as follows: BEGINNING at a point on the common Land Lot corner of Land Lots Nos. 190, 191, 204, and 205, and from said point running along and parallel with the boundary line separating Land Lot No. 190 from Land Lot No. 191, South 45 degrees 00 minutes West a distance of six hundred twenty-four (624) feet to the point of beginning; thence from said beginning point South 44 degrees 30 minutes East a distance of one thousand five hundred thirty (1530) feet to a point on the boundary line separating lands formerly of Chattahoochee Brick Company from lands of Willis I. Allen; thence South 51 degrees 00 minutes West a distance of nine hundred ten (910) feet to a point; thence North 44 degrees 30 minutes West a distance of one thousand four hundred thirty-eight (1438) feet to a point; thence North 45 degrees 00 minutes East a distance of nine hundred (900) feet to the point of beginning. Said tract is a portion of Land Lot No. 190 and is now or formerly bounded as follows: Northwest by lands of Willis I. Allen; Northeast by other lands of W. C. Glawson, Jr., (formerly owned by Chattahoochee Brick Company); Southeast and Southwest by lands of Willis I. Allen. Said land being a portion of a tract of land described as Tract No. 1 in a deed from Chattahoochee Brick Company to William C. Glawson, Jr., recorded in Deed Book 139, beginning at page 472, in the Office of the Clerk of Superior Court of Wilkinson County, Georgia;

TOGETHER WITH the right of ingress and egress, through, in and over the 225 acre, more or less, tract of land in the 4th Land District and the 329th G. M. District of Wilkinson County, Georgia, being a portion of the lands conveyed by deed recorded in Deed Book 139, folio 472-3, in the Office of the Clerk of Superior Court of Wilkinson County, Georgia, and being further described as delineated by plats recorded in Plat Book 4, folio 114, and Plat Book 4, folio 137, in said Clerk's Office and being further identified as the rights of ingress and egress retained by W. C. Glawson, Jr., at the time of a conveyance in fee simple title to said 225 acre tract, more or less, to Reynolds Mining Corporation on December 12, 1976.

The leasehold estate created by mineral lease from Mrs. C. B. Wall to United Sierra Division, Cyprus Mines Corporation, dated March 31, 1969, recorded in Deed Book 117, page 560, Wilkinson County Records, in and to:

TRACT 5

That certain piece, parcel or tract of land, lying, being and situated in the Bethel Militia District of Wilkinson County, Georgia, the same containing in the whole Five Hundred and Twenty (520) acres, more or less, and being the lands formerly belonging to Dr. J. M. Wall, deceased. Said lands bounded as follows: On the East by lands of Ira King, Jr.; South by lands of Green Cobb; West by lands of Califf and Bloodworth; North by lands formerly belonging to L. Hatcher and lands of Ira King known as Carroll Place. See Book 52, folio 127, Clerk's Office, Wilkinson Superior Court.

All that tract or parcel of land lying, being, and situated in the 26th Land District of Wilkinson County, Georgia, and adjoining the above described tract, containing 91.9 acres, more or less, which is hereby designated as Tract No. 5 upon a plat of survey prepared by A. G. Byington on November, 1958. For a more complete description see Book 101, folio 187, Clerk's Office of Wilkinson County Superior Court.

The leasehold estate created by mineral lease from D. Y. Califf and Mrs. W. H. Califf to E. Y. Mallary, Jr., dated October 7, 1941, thereafter assigned by a series of transfers to Cyprus Mines Corporation, recorded in Deed Book 51, pages 362-5, Twiggs County Records, in and to:

TRACT 6

CALIFF-TRACT I. All that tract or parcel of land lying and being in McDonald District of Twiggs County, Georgia, being 100 acres, known as the Will Woodford Place as bought in by Twiggs County Bank at Sheriff's sale, and bounded as follows: North and East by lands known as the Joyner Place owned at one time by Mr. M. R. and W. L. Joyner, on the South by lands at one time owned by A. J. McCoy, now being owned by Joash Floyd, on West by the public road leading from Jeffersonville to Myrick's Mill; and being the same land conveyed by Twiggs County Bank, by and through A. B. Mobley, Superintendent of Banks, to Mrs. Ava Califf by quit claim deed recorded in Book I, folio 512, said Clerk's Office.

The leasehold estate created by mineral lease from D. Y. Califf and Mrs. W. H. Califf to E. Y. Mallary, Jr., dated October 7, 1941, thereafter assigned by a series of transfers to Cyprus Mines Corporation, recorded in Deed Book 51, pages 362-5, Twiggs County Records, in and to:

TRACT 7

CALIFF-TRACT 2A. All that tract or parcel of land situate, lying, and being in the 26th Land District of Twiggs County, Georgia, containing 66 acres, more or less, known as the Old Stephens Place and bounded on the North by lands formerly owned by McCoy and Mercer; East by lands of Mrs. W. M. Whitaker, formerly known as the Tom Solomon Place; on the South by lands of E. J. Wimberly, and West by the T. E. Methvin Place, and being the same land described in deed from Mary R. Horne to Mollie Hughes and Minnie Hughes, dated May 14, 1898, and recorded in Office of the Clerk of Superior Court of Twiggs County in Book A of Deeds, page 68; and being the same land conveyed by Minnie Hughes Butler to D. Y. Califf by Warranty Deed recorded in Book K, page 196, said Clerk's Office.

CALIFF-TRACT 2B. All that certain piece, parcel or tract of land, the same lying and being and situated in the Jeffersonville Militia District of Twiggs County, Georgia, and containing 33 acres, more or less, and the same being and constituting the share of Virginia Chapman Butler in the Ed Smith land of the estate of Cherry Chapman, deceased, said lands being bounded as follows: On North by lands formerly Ezekiel Hughes but now D. Y. Califf and lands of Whitaker; on East by public road leading from Jeffersonville to Gordon; on West by lands of Harrell Horne Place; on the South by share of lands of Mattie Chapman Walker but now owned by Ezekiel Wimberly; and being the same land conveyed by Virginia Chapman Butler to D. Y. Califf by Warranty Deed recorded in Book K, page 423, said Clerk's Office.

The leasehold estate created by mineral lease from D. Y. Califf and Mrs. W. H. Califf to E. Y. Mallary, Jr., dated October 7, 1941, thereafter assigned by a series of transfers to Cyprus Mines Corporation, recorded in Deed Book 51, pages 362-5, Twiggs County Records, in and to:

TRACT 8

CALIFF-TRACT 3A. 357 acres of land lying and being in Count of Twiggs and State of Georgia and known as a part of the Durham Place and bounded as follows: On North by lands of A. J. McCoy, East by Lee Lewis, South by A. J. McCoy, West by Joiner lands and better described by a quitclaim deed given by Rosa Nottingham to V. A. Frasuer; and being the same land conveyed by V. A. Frasuer to Mrs. Ava Califf by Warranty deed recorded in Book B, folio 185, Clerk's Office of Twiggs Superior Court.

CALIFF-TRACT 3B. All that certain piece, parcel or tract of land lying, being and situate in the Jeffersonville (325 G.M.) Militia District and the 26th Land District of Twiggs County, Georgia, and being about 3 1/2 miles from the City of Jeffersonville and being on the Jeffersonville, Durham Mill and Gordon Public Road and containing 101 1/2 acres and being the same tract of land conveyed to S. E. Jones by Warranty Deed from Clifton Veal under date of March 1, 1913; said deed recorded in Deed Book "C", page 132, Office of Clerk of Twiggs Superior Court under date of April 2, 1913; said tract of land being bounded as follows: On the North by lands of Will Califf and the Old Joyner Place, South by lands of F. E. Wimberly, lands of Dan Cabaniss and Durham Mill and Gordon Public Road; on the East by lands of Will Califf and Jeffersonville-Gordon and Durham Mill Public Road and on the West by land of Joshua Floyd and lands of Dan Cabaniss; and being the same land conveyed by the Federal Land Bank of Columbia to D. Y. Califf by Warranty Deed recorded in Book "J", pages 374-375, said Clerk's Office.

The leasehold estate created by mineral lease from D. Y. Califf and Mrs. W. H. Califf to E. Y. Mallary, Jr., dated October 7, 1941, thereafter assigned by a series of transfers to Cyprus Mines Corporation, recorded in Deed Book 51, pages 362-5, Twiggs County Records, in and to:

TRACT 9

CALIFF-TRACT 4A. All that tract or parcel of land situate, lying, and being in the 26th Land District of Twiggs County, Georgia, containing 175 acres, more or less, and bounded in the year 1928 as follows: On North by lands of W. H. Califf and B. S. Johnson; on the East by lands of B. S. Johnson and Mrs. Read; South by lands of W. M. Whitaker; West by public road leading from Jeffersonville to Gordon, Georgia, by the way of Durham Mill, and being the same lands described in deed from G. F. Cannon to Anthony Wiley dated September 15, 1932, and recorded in Office of the Clerk of Superior Court in Book K of deeds, page 68, and being the same lands described in deed from A. J. McCoy to G. F. Cannon dated October 11, 1928, and recorded in Office of Clerk of Twiggs Superior Court in Book I of Deeds, page 530, and being the same lands described in deed from S. E. Jones to A. J. McCoy, dated May 23, 1909, and recorded in Office of Clerk of Superior Court of Twiggs County, Georgia, in Book C of Deeds, page 13, to which deed reference is hereby made for a more particular description of said lands; and being the same land conveyed by Anthony Wiley to D. Y. Califf by Deed recorded in Book K, page 197, said Clerk's Office.

CALIFF-TRACT 4B. All that tract or parcel of land situate, lying and being in the Jeffersonville Militia and the 26th Land District of Twiggs County, Georgia, containing 25 acres, more

or less, and bounded as follows: On North by lands of D. Y. Califf, (formerly owned by Anthony Wiley); East by lands of Mrs. W. M. Whitaker; South by Ira King and L. Hatcher Estate; and West by public road leading from Jeffersonville to Durham's Mill, and being the same lands described in deed form S. E. Jones to Josephine Lewis dated January 30, 1907, and recorded in Office of Clerk of Twiggs Superior Court in Book C, of Deeds, page 132, on April 2, 1913; and being the same land conveyed by Josephine Lewis to D. Y. Califf by Warranty Deed recorded in Book K, page 307, said Clerk's Office.

The leasehold estate created by mineral lease from D. Y. Califf to Georgia Coating Clay Company, dated February 10, 1959, recorded in Deed Book 73, pages 244-5, Twiggs County Records, subsequently conveyed to Cyprus Mines Corporation, in and to:

TRACT 10

All that certain piece, parcel or tract of land situated, lying, and being in the Jeffersonville and McDonald Militia Districts of Twiggs County, Georgia, same containing in the aggregate 115.21 acres representing and being on half of the landed estate in said districts, state and county of George Smith, deceased, late of said County and being the lands bequeathed to Carrie Cloud (the same person as Carrie Clowers) under the last will and testament of George Smith, late of said County, which said Will has been duly probated in Twiggs Court of Ordinary, of said County, said lands being lots numbers 2, 4 and 5 of said subdivision of said estate as will fully appear by reference to plat and survey of the same made by H. T. Pope, Twiggs County Surveyor under date of February 2, 1927, which said plat and survey is recorded in Office of Clerk of Twiggs Superior Court in Plat Book I, page 30, and being the identical tract of land conveyed by Warranty Deed from Ira Smith to Carrie Clowers under date of February 4, 1927, and which was recorded in February 5, 1927, in Book H, page 424, said conveyance being made pursuant to the division of said estate by the legatees under said Will above referred to. And the same tract conveyed by Warranty Deed from Carrie Clowers to Shade Glover under date of March 25, 1948. Said tract bounded now or formerly on the North, Northeast, and East by lands of the estate of Ira Smith and being lots 1, 3, and 6 of said subdivision and lands of Methvin and lands of the estate of A. F. Martin; South and Southwest by lands of estate of Owen Faulk; North and Northwest by lands of Edge Place and lands of Mercer.

The leasehold estate created by mineral lease from D. Y. Califf and H. B. Bloodworth to Georgia Coating Clay Company, dated June 13, 1961, recorded in Deed Book 73, page 439, Twiggs County Records, subsequently assigned to Cyprus Mines Corporation, dated June 9, 1969, recorded in Deed Book T, page 419, Twiggs County Records and in Deed Book 117, page 561, Wilkinson County Records as amended by Agreement dated August 15, 1969, recorded in Deed Book T, folios 445-6, Twiggs County Records, in and to:

TRACT 11

All that tract or parcel of land lying, being, and situate partly in Wilkinson County and partly in Twiggs County, State of Georgia, containing Eleven Hundred (1,100) acres, more or less, and bounded as follows: On the East by Mrs. C. B. Wall; South by lands of the Robert Watkins Place; on the West by lands of O. T. Chapman; on the North by the W. T. Chappell Place, the Linton Hatcher Place and lands of Arthur McCallum. Said lands being known as the Wall Place of said counties, and being the farm and timber lands owned by Mrs. Elizabeth King at the time of her death, and conveyed by her administrator to D. Y. Califf and H. B. Bloodworth by deed recorded in the Clerk's Office of Wilkinson County, Georgia, Georgia Superior Court.

A leasehold estate created by short form mineral lease from H. B. Bloodworth to Cyprus Mines Corporation, dated November 7, 1972, recorded in Deed Book 86, page 160, Twiggs County Records, in and to:

TRACT 12

All that tract or parcel of land situate, lying, and being in Land Lots 107, 108, 109, and 110 in the 28th Land District and Marion Militia District of Twiggs County, Georgia, containing 224.75 acres, more or less, and being bounded as follows: On the Northwest by Buck Creek and lands of J. M. Huber Corporation, on the Northeast by lands of Harrison Bond and D. Y. Califf, on the Southeast by lands of Mrs. K. J. Carswell, on the Southwest by Buck Creek and lands of Bennett Marcus, being a part of the tract conveyed by deed recorded in Book I, folio 69, in the Clerk's Office, Superior Court, Twiggs County, Georgia.

A leasehold estate created by mineral lease from Dr. A. S. McCallum to Dixie Kaolin Company, dated February 10, 1967, recorded in Deed Book 80, page 213, Twiggs County Records; assigned to Cyprus Mines Corporation, dated October 2, 1967, recorded in Deed Book T, page 251, aforesaid records, as amended by agreement recorded in Deed Book 80, page 311, aforesaid records, in and to:

TRACT 13

All that tract or parcel of land being, lying and situated in the 26th Land District of Twiggs County, Georgia, known as the Archabal McCallum home place and containing 130 acres, more or less, and bounded as follows:

North: by lands of W. T. Chappell,
East: by lands of W. T. Wall Estate,
South: by the old Jeffersonville-Irwinton Road,
West: by lands of the Dr. W. H. McCrary Estate.

This tract of land is the same tract described in a Timber Lease from H. B. McCallum to Jeffreys-McElrath Manufacturing Company, dated December 16, 1926, recorded in Book I, page 435, Clerk's Office, Superior Court of Twiggs County, Georgia.

A leasehold estate created by short form mineral lease from Jayne Miller Barker, dated August 1, 1975, recorded in Deed Book BB, page 149, aforesaid records, in and to:

TRACT 14

All that tract or parcel of land situate, lying, and being in Twiggs County, Georgia, McDonald District, 350th containing 254 acres, more or less, and bounded as follows: On the North by lands of the Mr. W. D. Miller Estate, on the East by Highway 80, on the South by lands of B. M. Kitchens and on the West by Jeffery's McElrath Lumber Company; being the same lands which were covered by a lease entered into under the date of March 14, 1949, between J. C. Miller as Lessor and Georgia Kaolin Company, a New Jersey Corporation, as Lessee, which Lease was recorded on March 20, 1952, in the Office of the Clerk of Superior Court of Twiggs County, Georgia, in Book 64, folio 297-299.

A leasehold estate created by mineral lease from J. Calder Bond to Cyprus Mines Corporation dated July 15, 1972, recorded in Deed Book V, page 347, Twiggs County Records, and extension agreement dated May 6, 1976, filed for record December 1, 1977, recorded in Deed Book FF, page 514, aforesaid records:

TRACT 15

All that part of Land Lot 100 in the 28th Land District of Twiggs County, Georgia, containing 177 acres, more of less, particularly described as follows:

BEGINNING at the northerly corner of said Lot 100, which corner is common to said lot and to Lots 93 and 99 in said District and running thence Southeasterly along the line between Lots 100 and 93 to the corner common to Lots 100, 93 and 101;

thence Southwesterly along the line between Lots 100 and 101 to a point where said line is intersected by a wet weather branch which runs generally westerly and southwesterly to the Marion Road and running thence generally westerly along the center of the run of said wet weather branch to a point where said wet weather branch is joined by another wet weather branch which runs generally southeasterly and southerly from the line between Lots 100 and 99; thence northwesterly or northerly along said last mentioned wet weather branch to the line between Lots 99 and 100; thence northeasterly along the line between said Lots 99 and 100 to the beginning point, as per sketch attached to the original contract.

A leasehold estate created by mineral lease from H. B. Bloodworth to Georgia Coating Clay Company, dated April 25, 1963, recorded in Book FF, page 489, Twiggs County Records, and assigned to Cyprus Mines Corporation, in and to:

TRACT 16

All that tract or parcel of land lying and being in Land Lots 107, 106, 86, and 87 in the Bluff or Marion Georgia Militia District, in the 28th Land District of Twiggs County, Georgia, consisting of 250 acres, more or less, and being known as the Glover Place being bounded as follows: On the North by H. B. Bloodworth and Mrs. Mattie Hinson, on the Northeast by Mrs. Mattie Hinson and a public road, on the Southeast by a public road, on the South by Old Marion Road, on the Southwest and Northwest by Huber Corporation, and Buck Creek, being the same lands as conveyed to D. L. and W. C. Stokes by J. B. Glover, by bond for title on October 2, 1919, and recorded in Book I, page 56, in the Clerk's Office of Twiggs Superior Court, and being the same lands conveyed to H. B. Bloodworth by Harrison Bond by deed recorded in Book S, folio 40, said Clerk's Office.

There is expressly excepted from the above described tract a strip off of the East side and the entire length of said tract, being 200 feet wide and approximately 4500 feet long, lying adjacent to and running parallel with and on the West-Northwest side of said Hinson Road.

The Leasehold Interest in Tracts 6, 7, 8, 9, 10, 11, and 16 were assigned to Cyprus Mines Corporation by Blanket Assignment dated February 29, 1968, recorded in Book T, page 265, Twiggs County Records.

Subject to the following exceptions:

1. All taxes subsequent to the year 1977.
2. The exact location of boundary lines, unrecorded easements, possible encroachments and other facts or conditions which would be disclosed by an accurate survey and inspection of the property.
3. No liability is assumed by the Company for loss, if any, which may arise concerning the inadequacy or vagueness of the description, as to Tract 3.
4. Rights of W. V. Watson to receive royalties on kaolin mined from Tracts 1 and 2 of caption property under paragraph third of agreement dated December 1, 1966, recorded in Deed Book T, pages 73-75, Twiggs County Records and the same rights under paragraph third of agreement recorded in Deed Book V, pages 66-68, aforesaid records, affecting Tract 3 of the caption property.
5. Easements and other rights in and to Tracts 1 and 2 of caption property granted to Seaboard Airline Railroad Company under Agreement dated May 24, 1967, recorded in Book 80, pages 156-57, Twiggs County, Georgia, Records, as affected by an unrecorded agreement dated January 1, 1974, between Cyprus Mines Corporation and Seaboard Airline Railroad Company.
6. Rights of W. V. Watson to remove timber growing on Tract 3 of caption property, but not the reproduction thereof, under terms of paragraph second of Agreement dated August 11, 1970, recorded in Deed Book V, pages 67-68, Twiggs County, Georgia records.
7. The right to have a spring located approximately 600 feet northwest from the south corner of Tract 3 of caption property to be protected from tailings pond waters or the replacement water supply in the event such spring becomes polluted by tailings, as set out in Agreement between W. V. Watson and Cyprus Mines Corporation, dated August 11, 1970, recorded in Deed Book V, pages 67-68, Twiggs County, Georgia, Records.
8. Security Deed from Cyprus Industrial Minerals Company, a division of Cyprus Mines Corporation to W. C. Glawson, Jr., dated August 12, 1977, recorded in Deed Book 144, pages 59-65, Wilkinson County, Georgia Records.

Revised - 11/9/77

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 8/31/77

ASSET DATE LIFE

NO. ACQD YRS STATE ASSET DESCRIPTION

LOC# 66 JAVILLE-DRY ACCT# 101 LAND AND EASEMENTS

00058 2/68 GA JEFFERSONVILLE

01803 12/70 GA LAND ACQUISITION FOR TAILINGS WATER STORAGE AFE #451

ACCT# 101 TOTAL

ACCT# 104 BUILDINGS & SIDINGS - MINE

00078 10/69 20 GA JEFFERSONVILLE BUILDINGS

02187 9/73 20 GA SHOP BLDG AFE 666

ACCT# 104 TOTAL

ACCT# 105 BUILDINGS & SIDINGS - MILL

00211 2/68 20 GA JEFFERSONVILLE BUILDINGS

00212 10/67 20 GA JEFFERSONVILLE LABORATORY

00213 10/67 20 GA JEFFERSONVILLE OFFICE

00214 3/67 20 GA JEFFERSONVILLE BUILDING CHARGES

00215 12/66 20 GA JEFFERSONVILLE BUILDINGS

00216 10/66 10 GA JEFFERSONVILLE FACILITIES

00218 10/69 10 GA JEFFERSONVILLE NEW OFFICES PLUS EQUIPMENT

01963 11/71 20 GA CONCRETE WALKWAYS, LADDERS, SHOWERS, PLATFORMS AFE #467

01987 8/71 8 GA NEW ROOF-JVILLE AFE #465

02200 1/74 10 GA 301 STAINLESS STEEL CONUGATED ROOF SHEETS AFE#744

ACCT# 105 TOTAL

ACCT# 106 EQUIPMENT - MINE

01339 9/65 5 GA PUMP, SUMERSIBLE BA-100-AG5F239 SN #525-3421

01343 10/68 10 GA CORE DRILLING RIG

01348 2/68 3 GA NEW LW MOD 440 MOTOR GRADER

EXHIBIT B

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 8/31/77

ASSET DATE LIFE

NO. ACQD YRS STATE ASSET DESCRIPTION

LOC# 97 J'VILLE-WET ACCT# 105 BUILDINGS & SIDINGS - MILL

02379 3/75 10 GA 3 PROCESS EMISSION EXHAUST STACKS AFE 892

02694 11/75 10 GA CORE STORAGE BUILDING AFE 951

02739 10/76 20 GA NEW ROOF & SIDINGS FOR JEFFERSONVILLE AFE #17

02790 10/76 20 GA ELECTRICAL WORK ON NEW ROOF AFE #17

ACCT# 105 TOTAL

ACCT# 106 EQUIPMENT - MINE

1319 9/65 6 GA CRANE CRAWLER MOD 6 #13178 FR LOC 60

01319 5/77 Engine Conversion AFE #164

02261 5/74 10 GA PORTABLE Barnes 3 INCH PUMP GASOLINE AFE#31

02463 3/75 7 GA 155018 CORE BARREL AFE 970

02466 5/75 5 GA ICE MAKER AFE 980

02911 5/77 5 GA PEABODY BARNES PUMP MOD40CC INCL ENGINE MOD1720F6006G AFE175
Peabody Barnes 6" Diesel Pump Serial #2128302912 5/77 5 GA ADAPTR. HOSES TO PEABODY BARNES PUMP AFE# 175
Sterling 4" Gasoline Driven Pump

02927 12/76 5 GA CSO BASE PUMP SER BP 028 065 003 AFE#62

02932 7/77 5 GA HUP 850A 40 TON RED ARROW PRESS AFE#220

ACCT# 106 TOTAL

ACCT# 107 EQUIPMENT - MILL

00229 9/65 10 GA CENTRIFUGAL LB1529 FROM LOC #51

00766 9/65 6 GA WATER RECIRCULATING SYSTEM PUMP #703A281 FROM LOC #62

00767 9/65 6 GA WATER RECIRCULATING SYSTEM PUMP #52-005-340-57 FROM LOC #62

00794 9/65 10 GA BOX CAR LOADING UNIT CONVEYOR 18IN X 40FT 5HP FROM LOC #62

00804 9/65 10 GA COLLECTING UNIT-ELEVATOR 5HP

00816 10/65 10 GA FLYGT PUMP MODEL B180 4

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 7/31/77

ASSET DATE LIFE

NO. ACORD YRS STATE ASSET DESCRIPTION

LOC# 96 J'VILLE-DRY ACCT# 106 EQUIPMENT - MINE

01651 10/69 10 GA 6IN CONCRETE TURN-AROUND PAOS AROUND SHREDDER

01752 4/70 10 GA LOADER, CATERPILLAR SER#76J277 AFE#396

01757 9/70 10 GA AIR CONDITIONER FOR HEAVY EQUIPMENT AFE#433

02173 9/73 6 GA CAT D7E WITH 75 DOZER S/N 94N6619 AFE 733

ACCT# 106 TOTAL

ACCT# 107 EQUIPMENT - MILL

00819 2/68 10 GA BIRD MACHINE

00820 2/68 10 GA BIRD MACHINE, SAND TANK, SCREENS, ELEVATOR

00821 2/68 10 GA 107-FC TUBE PACKERS #660160, 660161

00822 2/68 10 GA VACUUM FILTERING & RECEIVER

00925 2/68 10 GA VIB SCREEN 122147-DO UP134

00826 2/68 10 GA SHREDDER BUILDING

00827 2/68 10 GA PUMPS, PIPING & REPAIRS

00828 2/68 10 GA MACHINERY

00829 2/68 10 GA CONVEYORS & ELEVATORS

00830 2/68 10 GA SPRAY DRYER

00831 2/68 10 GA SPRAY DRYER #A4367-1

00833 2/68 10 GA LINK BELT 25HP 3/60/440/880

✓
00836 2/68 10 GA BAGGER & STORAGE BINS

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 8/31/77

ASSET DATE LIFE

NO. ACQD YRS STATE ASSET DESCRIPTION

LOC# 96 J'VILLE-DRY ACCT# 107 EQUIPMENT - MILL

00837 2/68 10 GA INSTALLATION OF PUMPS & WATER LINES

00838 2/68 10 GA FABRICATE & INSTALL CRUDE BELTS

00839 2/68 10 GA DESIGN & CONSTRUCT ADDL LEGS FOR APRON FEEDER

00840 2/68 10 GA INSTALL VACUUM FILTER

00841 2/68 10 GA BUILD TANKS, FABRICATE & FINISH

00842 2/68 10 GA BAG FLATTENER

00844 2/68 10 GA FURNISH & DELIVER TANKS FOR COWLES DISSOLVENT

00845 2/68 10 GA FURNISH & FABRICATE TWO REPULPERS

00846 2/68 10 GA FURNISH FILTER HOODS & DUCT WORK

00847 2/68 10 GA INSTALLATION OF MACHINERY & EQUIP

00848 2/68 10 GA PRODUCT STORAGE-SLIP STORAGE

00851 2/68 10 GA COMPARTMENT #56 MARK II DUST COLLECTOR

00852 2/68 10 GA GENERAL ELECTRIC MOTOR #11544

00853 2/68 10 GA STANDARD STATIONARY MODEL BELT SHREDDER

00854 2/68 10 GA UNIVERSAL FEEDER

00855 2/68 10 GA MISC EQUIPMENT & SUPPLIES

00856 2/68 10 GA INSTALLATION-HIRING

00857 5 GA WIRING FUEL OIL SYSTEM

00858 5 GA WIRING SLIP STORAGE TANKS

00859 5 GA SPRAY DRYER CONVEYOR SYSTEM

✓ 01663 10/69 10 GA 2 ENCLOSURES-DRY PLANT & SPRAY DRYER

01664 10/69 10 GA STORAGE BIN FOR SPARE PARTS

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 8/31/77

ASSET NO.	DATE ACQD	LIFE YRS	STATE	ASSET DESCRIPTION
LOC# 96 J'VILLE-DRY				ACCT# 107 EQUIPMENT - MILL
01665	10/69	10	GA	CLAY BIN DIVIDERS FOR CRUDE STORAGE
01666	10/69	10	GA	BULK TANK PLUS AUXILIARY EQUIPMENT
01667	10/69	10	GA	SLIP HEATING SYSTEM ROTARY FILTERS, BOILER
01669	10/69	10	GA	2 CLAY BIN DIVIDERS FOR CRUDE STORAGE
01766	4/70	10	GA	ELECTRICAL HOIST FOR M&R SHOP AFE#345
01779	9/70	10	GA	CYCLONES WET PLANT AFE#397
01780	9/70	10	GA	PH CONTROL EQUIPMENT AFE#401
01781	9/70	10	GA	WASTE WATER CONTROL FACILITY AFE#402
01785	9/70	10	GA	DI-CODER AFE#423
✓ 01861	6/70	10	GA	DRY PLANT GRIND CONTROL IMPROVEMENTS AFE #373
01895	9/70	10	GA	DESIGN, FAB & INSTALL MOBILE PILOT PLT AFE #385
01896	9/70	10	GA	SLURRY TANK AFE #385
01897	9/70	10	GA	TANK AGITATORS & MOTORS AFE #385
01898	9/70	10	GA	PUMPS, PIPING & MOTORS AFE #385
01899	9/70	10	GA	BLEACH FEEDER & FLOW METERS AFE #385
01910	8/71	10	GA	LAD PULVERIZER AFE #468
01912	8/71	10	GA	INSTALL & REPLACE AIR SLIDE AFE #475
01925	8/71	10	GA	PLANT CAPACITORS AFE #493
01962	11/71	10	GA	GUARDS ON BELTS & DRIVES, PORTABLE CART, CLEANER AFE #467
01971	9/71	10	GA	EXHAUST GAS TEST EQUIP AFE #533
01999	2/72	10	GA	1 TON ELECTRIC HOIST AFE #565
02001	1/72	10	GA	OIL DRUM STORAGE RACK AFE #573
02044	10/72	10	GA	DRAG CONVEYOR-DRY PLT. AFE #528

Complete atomizer from Sandersville to Jeffersonville

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 8/31/77

ASSET NO.	DATE ACQD	LIFE YRS	STATE	ASSET DESCRIPTION
LOCN 96 J'VILLE-DRY ACCT# 107 EQUIPMENT - MILL				
02053	8/72	10	GA	MAINT EQUIP AFE #586
02057	11/72	10	GA	SPEED MOTOR AFE #591
02059	11/72	10	GA	MOD. SPRAY DRYER AFE #597
02060	8/72	10	GA	5' FEEDER, SPRAY DRYER AFE #604
02064	8/72	10	GA	MOD. MAGNETIC SEPARATOR AFE #521
02079	9/72	10	GA	ROTARY VALVE, INSTALLATION AFE #654
02105	9/73	10	GA	ELEVATOR, DUST FOR SPRAY DRYER AFE #655
02240	1/74	5	GA	LODESTARMOIST AFE#814
02241	1/74	10	GA	MOTOR BURNER SYSTEM DUST CONTROL AFE#816
02242	3/74	10	GA	MIKRO PULSAIRE DUST COLLECTOR 100S8-20 AFE#816
02243	2/74	10	GA	TWO WESTINGHOUSE EXHAUST FANS 20HP AFE#816
02244	2/74	10	GA	FUGITIVE DUST CONTROL BALANCE OF SYSTEM AFE#816
02304	11/74 12/76	6	GA	TOXIMOTOR 8-50 #1M1674 AFE896 Wilden Pump air operated Serial #W-6283 Model M-15-3" ACCT# 107 TOTAL
ACCT# 108 EQUIPMENT - LABORATORY				
01428	2/68	10	GA	MISC EQUIPMENT
01690	10/69	10	GA	ST REGIS VISCOSITY
01691	10/69	10	GA	LAB VISCOSITY TESTER
01692	10/69	10	GA	LAB EQUIP
01922	8/71	10	GA	BROOKFIELD VISCOMETER AFE #490
01942	8/71	10	GA	JM-100 MICROSCOPE AFE #519
01943	8/71	10	GA	BRIGHTNESS METER AFE #520
01938	1/72	10	GA	PH METER, CORNING MOD 7 AFE #505

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 0/31/77

ASSET NO.	DATE ACQD	LIFE YRS	STATE	ASSET DESCRIPTION
LOC# 97	J'VILLE-WET			ACCT# 107 EQUIPMENT - MILL
01958	1/71	10	GA	EIMCO FILTER, INSTALLATION, VENTS, VALVES, CONTROLS AFE #432
01959	1/71	10	GA	CHEMICAL FEEDER WITH MOTOR & CONTROL AFE #432
01960	1/71	10	GA	SCRUBBER PUMP WITH MOTOR & CONTROL AFE #432
01961	1/71	10	GA	BOILER WITH CONTROLS AFE #432 SEE ASSET #02739 FOR MODIFICAT
01976	11/71	10	GA	TWO SWECO SCREENS AFE #553
01981	10/71	10	GA	LAB EQUIPMENT AFE #564
2998	2/72	10	GA	INSTALL 5' FEEDER AFE #554
02046	6/72	10	GA	DEGRITTING SECTION IMPROV AFE #542
02050	6/72	10	GA	STEAM ACCUMULATOR AFE #562
02052	11/72	10	GA	SPRAY DRY STORAGE BIN AFE #581
02066	10/72	10	GA	CHEMICAL FEEDER AFE #626
02099	9/73	10	GA	INSTALL BUFFALO FAN AFE #602
02104	9/73	10	GA	INSTALL 5 SWECO SEPARATORS AFE #645
				Seveci CSC 12C Screen Ser.#1173-S-Complete
02119	9/73	10	GA	MIKRO SEPARATOR AFE #677 325 SS Mesh Screen
02135	8/73	10	GA	P H METER AFE #695
1143	3/73	10	GA	PLT. COMMUNICATIONS SYSTEM AFE #713
02164	9/73	10	GA	LIME ADDITION SYSTEM AFE 701
02193	1/74	10	GA	SAFETY VALVES AFE 727
02217	1/74	10	GA	WORTHINGTON 300 GPM PUMP & SALVAGE SEAL SYSTEM AFE#772
02298	11/74	10	GA	BURNER SYSTEM SPRAY DRYER AFE867
02310	11/74	10	GA	BLEACH BULK HANDLING SYSTEM AFE724
02409	3/75	10	GA	MODIFICATION OF DUST CONTROL SYSTEM/DUCT AFE926

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 8/31/77

ASSET NO.	DATE ACQD	LIFE YRS	STATE	ASSET DESCRIPTION
LOC# 97 J'VILLE-WET				ACCT# 107 EQUIPMENT - MILL
02696	11/75	10	GA	3 EL728 TRANSFORMERS FOR MAGNETIC SEPARATOR AFE 969
02697	11/75	10	GA	1 HMA 3600 TRIP UNIT BREAKER FOR SEPARATOR AFE 969
02698	11/75	10	GA	INSTALLATION ELECTRICAL ON TRANSFORMERS FOR SEPARATOR AFE969
02718	3/76	10	GA	Y604P5-D-81 THERMOMETER FOR PH CONTROL SYSTEM AFE 918
02719	3/76	10	GA	KUNKLE PRESSURE VALVE FOR PH CONTROL SYSTEM AFE 918
02720	3/76	10	GA	5-PNEUMATIC VALVES FOR PH CONTROL SYSTEM AFE 918
2721	3/76	10	GA	2-UNILOC 1002 UA PH TRANSMITTERS FOR PH CONTROL SYSTEM AFE 9
02722	3/76	10	GA	THERMOMETER-602P1 FOR PH CONTROL SYSTEM AFE 918
02723	3/76	10	GA	PH SUBMERSIBLE SENSOR FOR PH CONTROL SYSTEM AFE 918
02724	3/76	10	GA	4-HONEYWELL PH CONTROL SYSTEMS FOR BIRD CENTRIFUGE & FILTERS
02725	3/76	10	GA	INSTALLATION OF PH CONTROL SYSTEM AFE 918
02730	3/76	10	GA	INSTALL SHREDDER PLATE AFE #1
02737	1/76	10	GA	UPGRADE AND OVERHAUL APRON FEEDER AFE #28 NOTE APRON FEEDER
02738	3/76	5	GA	MODIFY BOILER TO BURN NATURAL GAS AFE #32 SEE ASSET #01961
02749	1/76	10	GA	RECONDITIONING AND EXTENDING 15' SAND TANK AFE #59
02750	1/76	10	GA	RECONDITIONING EXISTING 6 CYCLONE-WET PLANT AFE #59
02754	1/76	10	GA	VIBRATING SCREEN-SPRAY DRYER 6 CONVEYOR 9 CONVEYOR & 2 RE
02755	1/76	10	GA	MACHINERY GUARDS FOR SAFETY REQUIREMENTS AFE #956
02756	3/76	5	GA	INSTALL SMALL BURNER-SPRAY DRYER MODIFICATION AFE #21
02757	3/76	5	GA	INSTALL BURNER OVEN TRACK-SPRAY DRYER MODIFICATION AFE #21
02758	3/76	5	GA	UPGRADE DUCT WORK-SPRAY DRYER MODIFICATION AFE #21
02759	3/76	5	GA	MODIFY DUST COLLECTOR ON SPRAY DRYER AFE #21
02760	3/76	5	GA	INSTALL BURNER ON FEED BIN & ELEVATOR AFE #21

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 8/31/77

ASSET DATE LIFE

NO. ACQD YRS STATE ASSET DESCRIPTION

LOC# 97 J'VILLE-WET ACCT# 107 EQUIPMENT - MILL

02761	3/76	5	GA	INSTALL BURNER ON BAGGER BIN AFE #21
02762	3/76	5	GA	UPGRADE DUCT WORK & DUST COLLECTORS ON MILL AFE #21
02765	3/76	10	GA	ELECTRICAL WORK ON SAFETY REQUIREMENTS AFE#956 AFE #81
02767	3/76	10	GA	FABRICATED CONTROL PANEL FOR PH CONTROL SYSTEM AFE 918
02792	10/76	10	GA	MACHINE GUARDS, HAND RAILS, SAFETY EQUIPMENT AFE #29
02795	7/76	10	GA	AF12 LOCKWOOD BOILER FEED FOR NEW BOILER AFE #35
02796	7/76	10	GA	100HP CLEAVER BROOKS BOILER AFE #35
02797	7/76	10	GA	WATER SOFTNER FOR BROOKS BOILER AFE #35
02798	7/76	10	GA	SS STACK ON NEW BOILER AFE #35
02799	7/76	10	GA	WIRING, INSTALLATION, PLUMBING NEW BOILER AFE #35
02823	5/76	10	GA	NEW BLUNGER FOR JEFFERSONVILLE AFE #85
02827	9/76	10	GA	SCREW CONVEYOR BETWEEN PULVERIZER FEED SCREW & STORAGE BIN A
02829	8/76	10	GA	ADDITION OF VARIABLE SPEED SCREW CONVEYOR TO DUST CONTROL SY
02860	3/76	10	GA	INSTALLATION, ELECTRICAL ON BIRD CENTRIFUGE #0229 FROM S'VILL

ACCT# 107 TOTAL

ACCT# 108 EQUIPMENT - LABORATORY

02290	9/74	5	GA	MICROWAVE OVEN KENMORE AFE#875
02358	2/75	10	GA	BLUE M HYDROMETER JAR BATH MODEL HBJ-10A-1 AFE 858
02359	2/75	10	GA	VIBRATION FREE CONCRETE LAB TABLE AFE #858
02685	10/75	10	GA	ONE GALLON HARING BLENDER 115V 60HZ AFE 33
02945	8/77	5	GA	THERMADOR MC15 MICROWAVE OVEN AFE#225

ACCT# 108 TOTAL

ACCT# 109 EQUIPMENT - OFFICE

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 8/31/77

ASSET DATE LIFE

NO. ACQD YRS STATE ASSET DESCRIPTION

LOC# 96 J'VILLE-DRY ACCT# 108 EQUIPMENT - LABORATORY

01989 1/72 10 GA STIRRER CURNING AFE #505

01990 1/72 10 GA MULTIPLE SAMPLE STIRRER AFE #505

01991 1/72 10 GA UNIQUE MODEL KILN AFE #505

01992 1/72 10 GA CONTROL SYSTEM AFE #505

ACCT# 108 TOTAL

ACCT# 109 EQUIPMENT - OFFICE

01732 12/69 10 GA MARCHANT MOD 314 CALCULATOR S/N 25263863

02002 1/72 10 GA WATER COOLER AFE #575

02036 4/72 10 GA SIMPLEX TIME CLOCK AFE #623

ACCT# 109 TOTAL

ACCT# 110 EQUIPMENT - AUTOMOTIVE

01918 8/71 4 GA 1/2 TON P U CHEV CE141A608743 AFE #484

02112 1/73 4 GA 1973 FORD P/U S/N F10GCR66320 AFE #666

2227- 1969 Chev. used by Land Management

1974 Ford Pick-up used by Joe Lubher

ACCT# 112 SITE SERV & BLDG SERV - MILL

01745 10/69 20 GA CONCRETE DRAINAGE DITCHES AT RR TRACKS

02019 1/72 5 GA 10' X 20' HANDI-HOUSE AFE #595

02078 9/72 10 GA ENTRANCE IMPROVEMENTS AFE #653

02083 10/72 10 GA EMPLOYEE PARKING LOT AFE #669

02425 10/75 10 GA HIGHWAY SIGN CYPRUS AFE 940

ACCT# 112 TOTAL

ACCT# 114 SMALL TOOLS

02198 9/73 5 GA SMALL TOOLS AFE 666

ACCT# 114 TOTAL

LOC# 96 TOTAL

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 8/31/77

ASSET DATE LIFE
NO. ACORD YRS STATE ASSET DESCRIPTION

LOC# 97 J'VILLE-WET ACCT# 109 EQUIPMENT - OFFICE

02040 9/76 5 GA WINDOW AIR CONDITIONER FOR OFFICE AFE #113

02925 4/77 10 GA ELEC. T.W. OC 190C13 AFE#189

ACCT# 109 TOTAL

ACCT# 110 EQUIPMENT - AUTOMOTIVE

01597 6/68 8 GA INTL DUMP TRUCK MODEL 717911G308913 FROM LOC #52

02094 6/72 5 GA MINE PAYLOADER HOUGH SER. #1834 AFE #667

02465 8/75 4 GA 3/4T 1975 CHEV PICKUP CKY245F421011 AFE 977

02917 3/77 7 GA CAT WHEEL LDR.SN 41K6602.AFE 179.+ ADD VAL OF # 02824&02093

ACCT# 110 TOTAL

ACCT# 111 SITE SERV & BLDG SERV - MINE

02918 3/77 2 GA STONE FOR MILLER PIT ROAD AFE#181

ACCT# 111 TOTAL

ACCT# 112 SITE SERV & BLDG SERV - MILL

02106 9/73 10 GA TRUCK DOCK BOARD AFE #656

02121 2/73 10 GA FUEL OIL STORAGE TANK AFE #679

02151 8/73 10 GA SAFETY EQUIP AFE #725

02163 9/73 10 GA RAIL CLEAN UP AREA AFE 699

02197 1/74 10 GA STORAGE TANK OIL AFE 739,42000 GAL STEEL

02201 5/74 10 GA PUMP AND PAD FOR RESERVE FRESH WATER POND AFE#745

02202 5/74 10 GA RESERVE FRESH WATER POND EXCAVATION/DEVEL AFE#745

02210 3/74 10 GA REPAVE TRACK AREA AFE#791

02235 1/74 10 GA CORE STORAGE AREA AFE#766

02445 2/75 10 GA 2 H 110AL122 HYDROMOTOR GAS VALVES INSTALLATION AFE 867A

CYPRUS INDUSTRIAL MINERALS - FIXED ASSETS - PERMANENT ASSET LEDGER AS OF 8/31/77

ASSET DATE LIFE

NO. ACORD YRS STATE ASSET DESCRIPTION

LOC# 97 J'VILLE-WET ACCT# 112 SITE SERV & BLDG SERV - MILL

02448 4/75 10 GA INSTALLATION OF 320' STAINLESS STEEL GUTTERS AFE 952

02686 11/75 5 GA SEARS ROEBUCK AIR CONDITIONER #7246 AFE 27

02690 12/75 10 GA REPLACEMENT OF PIPING & PLUMBING IN LAB AFE 965

02695 11/75 10 GA WORK TABLE CABINETS & STAINLESS STEEL SINK FOR LAB AFE 951

02729 2/76 10 GA PLATFORM FOR SLURRY LOADING OF BOX CARS AFE 995

02793 2/76 10 GA INSTALLATION OF NEW WASTE WATER POND AFE #30

94 2/76 10 GA LINE STORAGE SYSTEM FOR WASTE WATER POND AFE #30

02806 9/76 10 GA SEAL FRESH WATER POND AFE #62

ACCT# 112 TOTAL

ACCT# 114 SMALL TOOLS

02176 9/73 10 GA TRASH CONTROL HOPPERS AFE 760

02278 7/74 3 GA CHIAN SAW SUPER 66 AFE855

02288 9/74 5 GA AIR GREASE GUN W/FITTINGS AFE869

02346 9/75 10 GA MIKRON 100 THERMOMETER AFE 825

02347 9/75 10 GA THERMOCOUPLE-BLUE FLAME AFE 825

02348 8/75 10 GA FARMER ELEC HOIST P356 AFE 825

49 6/75 10 GA BALANCE PAC MODEL 800 W/PICKUP AFE 825

02355 5/75 5 GA TACHOMETER COT# 303 SN 591307 AFE 825

02356 9/75 10 GA WIRING FOR ELEC HOIST AFE 825

02357 1/75 5 GA SMALL TOOLS, GAUGES, TEST EQUIPMENT AFE 825

ACCT# 114 TOTAL

LOC# 97 TOTAL

REPORT TOTAL

END OF JOB

EXHIBIT C

DESCRIPTION OF PLANT

Land and Site Improvements

The plant is situated on 96 acres owned by Cyprus, 3 miles northwest of Jeffersonville, Georgia, on U.S. Highway 80. It is served by the Seaboard Coast Line.

There are 1,700 feet of double-track railroad spur within the boundaries of the property, 500 feet of which are concreted.

A well provides process water at the rate of 500 gallons/minute. Fresh and waste water process ponds cover 20 acres. Access road from U.S. 80 to the plant and offices and parking areas are paved.

Buildings, Equipment and Facilities

Processing Equipment:

One Gleason belt-driven 5 ft. standard stationery shredder driven by 50 HP electric motor

One magnetic separator. Lime addition water treatment system.

One link belt driven transfer conveyor driven by 25 HP electric motor

Two belt conveyors, 60 ft. each

One wet plant consisting of:

2 blungers

2 sand tanks 12'-0 x 40'-0

9 4'-0 diameter Sweco screens

2 feed hoppers and blunger conveyor systems

Piping and pumping facilities including 8 Allis-Chalmers centrifugal pumps and piping

1 Sweco centrifugal concentrator and 9" clone

2 Bird machines with pumps and piping tanks

Two Komline-Sanderson 12'-0 x 18'-0 rotary vacuum driven filters made from type 316 stainless steel and including two 2002 series vacuum pumps with stainless steel rotors and 100 HP motors

One Eimco 11'-6" x 36'-0 rotary vacuum drum filters made from stainless steel and including a 2002 series vacuum pump with stainless steel rotor and 100 HP motor

Cowles dissolver and slurry system with pipe and pumps - loading and support system

One 24'-0 Bowen Spray Dryer 1966 model including: Peabody air heater, Dracco Dust collector, 125 HP electric motor with pumps and piping

Seven California redwood storage tanks with agitators, approximately 20'-0 (diameter) x 16'-0 (height) with pumps and piping

Six steel storage tanks with agitators approximately 20'-0 (diameter) x 16'-0 (height)

One 1000 gallon sodium tank

In addition to above:

Chemical make down

Bleach feeders

2 acid storage tanks

Boilers - two 100 HP, one 80 HP

Fuel storage 75,000 gallons

Water storage tank

Truck scales

Wash down - railroad siding

1-100 ton storage

1-40 ton bin

Buildings and Structures:

One plant building - stainless steel 60'-0 x 202'-0

Two plant buildings - stainless steel 62'-0 x 90'-0

One lean-to stainless steel 30'-0 x 40'-0

One laboratory building painted, corrugated steel 40'-0 x 60'-0

One maintenance building painted, corrugated steel 40'-0 x 60'-0

One shredder building painted, corrugated steel 20'-0 x 44'-0

One office building, frame and brick with gas heating, offices, paneled walls, tile floors

One truck shop painted, corrugated steel 60'-0 x 80'-0

Miscellaneous:

Spare parts, improved grounds, rail siding, and other equipment modifications

EXHIBIT D

I. Leases with ACF Industries

<u>Contract No.</u>	<u>Date</u>	<u>Car No. ACFX -</u>	<u>Termination Date</u>
1127	June 7, 1976	77829 through 77838	June 6, 1981
8591	December 13, 1971	15502 15513 15499 15519	June 30, 1981
8843	January 12, 1972	92031 92032 92476 16153	July 31, 1979
8944	February 4, 1972	90472 92514 92563 92776	March 31, 1982
9158	June 26, 1972	92778 3 cars numbers unknown	December 31, 1977

II. General American Transportation Corporation

<u>Contract No.</u>	<u>Date</u>	<u>Car No. GATX -</u>	<u>Termination Date</u>
1962	October 21, 1977	95754 33725 80089 82262	January 31, 1979
1963	October 21, 1977	84999 88581 88918 1 car number unknown	May 31, 1979
1965	October 21, 1977	74914 74948 74949 74950 74978 87687	December 31, 1980

EXHIBIT D cont'd.

<u>Contract No.</u>	<u>Date</u>	<u>Car No. GATX -</u>	<u>Termination Date</u>
1967	October 21, 1977	5 cars numbers unknown	December 31, 1980
1968	October 21, 1977	27665 27666 27656 27657 27654 27655	May 31, 1982

Twiggs County, State of Ga.
Clerks Office, Superior Court

Filed In Office 23 Day Of Dec
19 77 At 2:03 A.M. P.M. O'Clock.
Recorded In Book Folio
Day Of 19 77

John H. [Signature]
Clerk of Superior Court, Twiggs County, Ga.

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Louise M. Naumes, a Notary Public residing in the County and State aforesaid, do hereby certify that this document is, in all respects, a true, complete and correct copy of that certain Deed to Secure Debt, Security Agreement and Assignment, dated December 15, 1977, between Nord Kaolin Company and Continental Illinois National Bank and Trust Company of Chicago.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this ____ day of November, 1978.

Louise M. Naumes
Notary Public in said
County and State

My Commission Expires: April 13, 1982